



Senate

General Assembly

File No. 671

February Session, 2016

Substitute Senate Bill No. 12

Senate, April 19, 2016

The Committee on Finance, Revenue and Bonding reported through SEN. FONFARA of the 1st Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT ADOPTING A RECOMMENDATION OF THE TRANSPORTATION FINANCE GROUP.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (NEW) (*Effective from passage*) (a) There is established an
2 account to be known as the "Transportation Excess Surplus account"
3 which shall be a separate, nonlapsing account within the Special
4 Transportation Fund. The account shall contain any moneys required
5 by law to be deposited in the account. Moneys in the account shall be
6 expended by the Commissioner of Transportation, with the approval
7 of the Secretary of the Office of Policy and Management, for the
8 payment of transportation costs, as defined in section 13b-75 of the
9 general statutes.
- 10 (b) At the end of each fiscal year commencing with the fiscal year
11 ending June 30, 2017, after the accounts for the Special Transportation
12 Fund have been closed for the fiscal year and the Comptroller has
13 determined the amount of unappropriated surplus in said fund, the

- 14 Comptroller shall transfer such unappropriated surplus in excess of
15 fifteen per cent of total expenditures for the most recently completed
16 fiscal year to the Transportation Excess Surplus account within the
17 Special Transportation Fund.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>from passage</i>	New section
-----------	---------------------	-------------

Statement of Legislative Commissioners:

In Section 1(a), "will" was changed to "shall" for statutory consistency and in Section 1(b), "and each fiscal year thereafter," was deleted to avoid repetition.

FIN *Joint Favorable Subst. -LCO*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 17 \$	FY 18 \$
Treasurer	TF - Savings	Potential	Potential
Department of Transportation	TF - See Below	See Below	See Below

Note: TF=Transportation Fund

Municipal Impact: None

Explanation

The bill establishes the Transportation Excess Surplus Account which is a non-lapsing account within the Special Transportation Fund (STF). To the extent there is an operating surplus in the STF in excess of fifteen percent of the total expenditures, the Transportation Excess Surplus Account will realize an increase in funds to the account that can be used by the Commissioner of the Department of Transportation for transportation costs.

In FY 16, the STF is projected to have an operating deficiency of \$5.2 million and a FY 17 budgeted operating surplus of \$100.8 million, neither of which meets the fifteen percent threshold for the Transportation Excess Surplus Account. In order for the Transportation Excess Surplus Account to receive funds there would need to be an operating surplus of over \$209.1 million in FY 16 and \$224.4 million in FY 17. It should be noted that there may be a potential savings in STF debt service dependent on the amounts of funds that may go into the Transportation Excess Surplus Account.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the balance in the STF.

OLR Bill Analysis**sSB 12*****AN ACT ADOPTING A RECOMMENDATION OF THE
TRANSPORTATION FINANCE GROUP.*****SUMMARY:**

This bill establishes an account the transportation commissioner can use, with the Office of Policy and Management secretary's approval, to fund transportation projects. It names the account the "Transportation Excess Surplus" account and establishes it as a separate, nonlapsing account within the Special Transportation Fund (STF).

The account must be funded with a portion of any unappropriated surplus remaining in the STF at the end of each fiscal year, beginning with FY 17. The comptroller must determine the STF's year-end unappropriated surplus and transfer to the account the amount that exceeds 15% of the STF's total expenditures for the most recently completed fiscal year.

EFFECTIVE DATE: Upon passage

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable

Yea 49 Nay 1 (04/07/2016)